

1-1 By: Oliveira, et al. (Senate Sponsor - Patrick) H.B. No. 4765
1-2 (In the Senate - Received from the House May 6, 2009;
1-3 May 7, 2009, read first time and referred to Committee on Finance;
1-4 May 26, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 13, Nays 0, 1 present not
1-6 voting; May 26, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 4765 By: Williams

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the computation of the franchise tax.
1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-12 SECTION 1. (a) Section 171.002(d), Tax Code, is amended to
1-13 read as follows:
1-14 (d) A taxable entity is not required to pay any tax and is
1-15 not considered to owe any tax for a period if:
1-16 (1) the amount of tax computed for the taxable entity
1-17 is less than \$1,000; or
1-18 (2) the amount of the taxable entity's total revenue
1-19 from its entire business is less than or equal to \$1 million
1-20 [~~\$300,000~~] or the amount determined under Section 171.006 per
1-21 12-month period on which margin is based.
1-22 (b) This section takes effect only if H.B. No. 2154, Acts of
1-23 the 81st Legislature, Regular Session, 2009, amends Section
1-24 155.0211, Tax Code, in a manner that results in an increase in the
1-25 revenue from the tax under that section during the state fiscal
1-26 biennium beginning September 1, 2009, that is attributable to that
1-27 change, and that Act is enacted and becomes law. If H.B. No. 2154,
1-28 Acts of the 81st Legislature, Regular Session, 2009, does not amend
1-29 Section 155.0211, Tax Code, in that manner or is not enacted or does
1-30 not become law, this section has no effect.
1-31 (c) If this section takes effect, this section expires
1-32 December 31, 2011.
1-33 (d) This section applies only to a report originally due on
1-34 or after the effective date of this section.
1-35 SECTION 2. (a) Section 171.002(d), Tax Code, is amended to
1-36 read as follows:
1-37 (d) A taxable entity is not required to pay any tax and is
1-38 not considered to owe any tax for a period if:
1-39 (1) the amount of tax computed for the taxable entity
1-40 is less than \$1,000; or
1-41 (2) the amount of the taxable entity's total revenue
1-42 from its entire business is less than or equal to \$600,000
1-43 [~~\$300,000~~] or the amount determined under Section 171.006 per
1-44 12-month period on which margin is based.
1-45 (b) This section takes effect January 1, 2012, if H.B. No.
1-46 2154, Acts of the 81st Legislature, Regular Session, 2009, amends
1-47 Section 155.0211, Tax Code, in a manner that results in an increase
1-48 in the revenue from the tax under that section during the state
1-49 fiscal biennium beginning September 1, 2009, that is attributable
1-50 to that change, and that Act is enacted and becomes law. If H.B. No.
1-51 2154, Acts of the 81st Legislature, Regular Session, 2009, does not
1-52 amend Section 155.0211, Tax Code, in that manner or is not enacted
1-53 or does not become law, this section takes effect January 1, 2010.
1-54 (c) This section applies only to a report originally due on
1-55 or after the effective date of this section.
1-56 SECTION 3. (a) Section 171.0021(a), Tax Code, is amended to
1-57 read as follows:
1-58 (a) A taxable entity is entitled to a discount of the tax
1-59 imposed under this chapter that the taxable entity is required to
1-60 pay after determining its taxable margin under Section 171.101,
1-61 applying the appropriate rate of the tax under Section 171.002(a)
1-62 or (b), and subtracting any other allowable credits, as follows:
1-63 (1) [~~for a taxable entity for which the total revenue~~

2-1 ~~from its entire business is greater than \$300,000 but less than~~
2-2 ~~\$400,000, the taxable entity is entitled to a discount of 80~~
2-3 ~~percent;~~

2-4 ~~[(2) for a taxable entity for which the total revenue~~
2-5 ~~from its entire business is equal to or greater than \$400,000 but~~
2-6 ~~less than \$500,000, the taxable entity is entitled to a discount of~~
2-7 ~~60 percent;~~

2-8 ~~[(3)]~~ for a taxable entity for which the total revenue
2-9 from its entire business is ~~[equal to or]~~ greater than \$600,000
2-10 ~~[\$500,000]~~ but less than \$700,000, the taxable entity is entitled
2-11 to a discount of 40 percent; and

2-12 (2) ~~[(4)]~~ for a taxable entity for which the total
2-13 revenue from its entire business is equal to or greater than
2-14 \$700,000 but less than \$900,000, the taxable entity is entitled to a
2-15 discount of 20 percent.

2-16 (b) This section takes effect January 1, 2012, if H.B. No.
2-17 2154, Acts of the 81st Legislature, Regular Session, 2009, amends
2-18 Section 155.0211, Tax Code, in a manner that results in an increase
2-19 in the revenue from the tax under that section during the state
2-20 fiscal biennium beginning September 1, 2009, that is attributable
2-21 to that change, and that Act is enacted and becomes law. If H.B. No.
2-22 2154, Acts of the 81st Legislature, Regular Session, 2009, does not
2-23 amend Section 155.0211, Tax Code, in that manner or is not enacted
2-24 or does not become law, this section takes effect January 1, 2010.

2-25 (c) This section applies only to a report originally due on
2-26 or after the effective date of this section.

2-27 SECTION 4. Except as otherwise provided by this Act, this
2-28 Act takes effect January 1, 2010.

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